Department of Education
Office of Student Financial Assistance

Deliverable 36.1.4
LMS Business Case

July 31, 2001

Executive Summary

SFA University has primary responsibility for delivering "best-of-breed" training services to SFA employees and external customers. Currently, SFA University has minimal resources available to support the new responsibilities it acquired during its reorganization into a model "corporate university". The current manual processes and limited computer systems do not support the critical activities necessary for SFA University to provide a level of service consistent with the modernization objectives.

A Learning Management System (LMS) will support the administration, delivery and integration of training throughout SFA. The LMS is the critical component in SFA University's strategy to improve the delivery of training services to SFA employees and external customers. When implemented, customers will be able to access targeted learning more accurately and more quickly while enabling SFA to deliver these services in a proactive manner with greater consistency and efficiency.

The first three segments of work, Requirements Analysis, Software Selection, and Implementation Planning, are complete.   The final segment of work, the Business Case, is described in detail in this document below. Activities completed in support of this document included:

- Gather existing cost data

- Gather and compare cost data from LMS vendors

- Compare all LMS options and costs

- Select a solution

Approach

Gather Existing Cost Data from SFA University

During the Requirements Gathering phase at the beginning of this project, members of the LMS team interviewed several subject matter experts (SME) within SFA for the purpose of confirming requirements and gathering information to build a business case. The team developed a questionnaire to determine how many employees required training, the type of training they currently attended, and what training each channel sponsored both for internal employees and external customers. A sample of the questionnaire was included in deliverable 36.1.1.

The team also developed a matrix to record business case data called the Metrics Matrix (Please see Appendix A). With this document, the team compiled all the data by channel in a compact, easily readable format. Using this tool made it easier to determine missing or incomplete pieces of data, which the team then followed-up on via email and telephone.

Gather and Compare Cost Data from LMS Vendors

At the same time that the LMS team compiled SFAU cost and training data, vendor responses to the LMS vendor packet began arriving. The responses included information regarding the vendors' LMS applications, services, and costs. All of the costs were compared in MS Excel document, Cost Comparison.   A sample of the questionnaire was included in deliverable 36.1.2.

Compare all LMS Options and Costs

There were three basic scenarios for implementing an LMS from the beginning of the project:

- Build a system from scratch
- Buy a third-party vendor LMS
- Contract with TVU and their existing LMS

Each scenario was explored and evaluated with an eye toward discerning the best solution for both the internal and the external end users of the LMS. The details of which are below.

Build a System from Scratch

An initial estimate of the cost to build an LMS was determined to be approximately five times the cost of purchasing an off the shelf system from a vendor. Therefore this option was ruled out at an early stage due to the comparatively prohibitive costs.

Contract with TVU and Their Existing LMS

A second option is to partner with the Training Development Center (TDC). TDC has contracted with TVU, which already utilizes the Training Server LMS by Thinq. Because TDC has already paid for use of the LMS and for over 800 CBT titles for SFA users, the cost benefit of this option is appealing. Please see slide 1 of Appendix B for a complete list of the benefits and risks associated with this option.

Buy a Third-Party Vendor LMS

Purchasing an LMS from a third-party vendor would allow SFAU to select a "Best-of-Breed" solution from the LMS market. It also would integrate onto the Jamcracker platform, which will also house SFA Human Resources organization's performance management system. Please see slide 2 of Appendix B for a complete list of the benefits and risks associated with this option.

Select a Solution

After evaluating all of the options, SFA University decided to use the third party LMS on the Jamcracker platform for it's external customers, and to partner with TDC to use TVU's LMS for

internal customers. This recommendation is reflected in the Business Case document, which details the following:

- Benefits to the organization

- Impacts to the organization

- Cost savings resulting from the change

- Costs to implement the solution

- Costs to operate the solution

The Business Case is evaluated by the DSF and the IRB for funding approval. All findings and cost data from the Business Case are summarized in a presentation to be reviewed by the DSG and IRB. Please see Appendix C below for presentation materials.

When reviewing the Business Case, please note the following:

- Costs for the Jamcracker solution are for the Saba LMS as an example only.

- The Business Case is written in the current template available. A revised template will be released in the near future, and revisions to the Business Case incorporating the new template and any adjusted costs will be made at that time.

Appendices